Early Warning Report

This report is made pursuant to:
Subsection 101 of the Securities Act (Ontario)
Subsection 111 of the Securities Act (British Columbia)
Subsection 92 of the Securities Act (Manitoba)
Subsection 176 of the Securities Act (Alberta)
Subsection 147.11 of the Securities Act (Quebec)

(a) *Name and address of Offerors:*

Nabors Exchangeco (Canada) Inc. ("**Exchangeco**")
c/o Nabors Corporate Services Inc.
1200, 515 West Green Road
Houston, Texas 77067

(b) *The designation and number or principal amount of securities and the offeror's securityholdings percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:*

A purchase of 22,726,848 common shares ("Common Shares") (or 100%) of Ryan Energy Technologies Inc. ("**Ryan**") by Exchangeco. Exchangeco has control and ownership of the securities purchased in this transaction.

(c) *The designation and number or principal amount of securities and the offeror's securityholdings percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:*

Exchangeco has control over 22,726,848 Common Shares (or 100%) of Ryan.

(d) *The designation and number or principal amount of securities and percentage of outstanding securities of the class of securities referred to in paragraph (c) over which:*

(i) *the offeror, either alone or together with any joint actors, has ownership and control:*

100%

(ii) *the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:*

Not applicable.

(iii) *the offeror, either alone or together with any joint actors, has exclusive or shares control but does not have ownership:*

Exchangeco has control over 22,726,848 Common Shares (or 100%).

(e) *Market where the transaction or occurrence took place:*

Not applicable.

(f) *The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:*

The purpose of the transaction was for Exchangeco to acquire ownership and control over all of the outstanding Common Shares.

(g) *The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:*

Under the terms of an arrangement agreement, dated August 12, 2002 (the "**Agreement**"), Nabors Industries Ltd. ("**Nabors**") proposed to acquire all of the outstanding securities of Ryan pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**"). On October 9, 2002, in accordance with such Agreement and Arrangement, Nabors acquired such Ryan securities in exchange for approximately C$22,615,000 in cash and 380,264 exchangeable shares of Exchangeco (the "**Exchangeable Shares**"), of which 219,493 Exchangeable Shares were immediately exchanged for common shares of Nabors in accordance with the instructions of the holders of those Exchangeable Shares following completion of the Arrangement. The Exchangeable Shares: (i) have the same voting rights, dividend entitlements and other attributes as common shares of Nabors; (ii) are exchangeable, at each holder's option, on a one-for-one basis, into common shares of Nabors, and (iii) are listed on the Toronto Stock Exchange under the symbol "NBX.U". The Exchangeable Shares will automatically be exchanged on April 26, 2007, and may be exchanged into Nabors common shares earlier, in certain other events.

(h) *The names of any joint actors in connection with the disclosure required by this report:*

Certain affiliates of Exchangeco and certain companies of whom Exchangeco is an associate may be presumed to be joint actors with Exchangeco, including

Nabors, of whom Exchangeco is an indirect subsidiary. The filing of this report, however, is not an admission that any entity described above is a joint actor with any other entity.

(i) *In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror; and, if applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities:*

The consideration paid for the Common Shares described in this report included a combination of: (i) cash (in the aggregate amount of approximately Cdn.$22,615,000); and (ii) 380,264 Exchangeable Shares having an aggregate market value of Cdn.$19,460,010, 219,493 of which were immediately converted by the holders thereof into common shares of Nabors. The aggregate value of the purchases described herein is approximately Cdn.$42,075,010.

Signed as of the 9th day of October, 2002

NABORS EXCHANGECO (CANADA) INC.

Per: *"George McHardy"*

George McHardy

Vice President